

ABSTRACT

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MITIGATION OF TAX AVOIDANCE: APPLICATION OF MORALE AND TAXATION TECHNOLOGY SYSTEM (EMPIRICAL STUDY ON INDIVIDUAL TAXPAYERS OF MEDAN POLONIA TAX OFFICE)

(xiv+65 pages ; 10 figures; 18 tables; 10 appendixes)

Tax is the dominant contributor to the State's revenue in financing national development. Wise step done by the government to increase national income by applied self-assessment system as tax reformation. Moreover, Directorate General of Taxes (DGT) has also modernized the tax administration system by developing taxation technology system. However, there are still many citizens who avoid tax obligation. Therefore, it has become one of the primary problems for government to increase the tax collection. These studies which concern on the tax morale and taxation technology system on the mitigation of tax evasion are an interesting topic.

The purpose of this research is to analyze the influence of taxpayer's morale and taxation technology system on the mitigation of tax avoidance of individual taxpayers registered in Medan Polonia Tax Office. The sampling in this research was conducted by using a incidental sampling method. Methods of data collection through questionnaires that have been distributed to 100 respondents who have met criteria. With multiple linear regression analysis, it shows that the morale and taxation technology system both partial and simultaneous have significant effect on mitigation of tax avoidance. It can be concluded that mitigation of tax avoidance affected by tax morale and taxation technology system.

Keywords: Tax Morale, Taxation Technology System and Tax Avoidance.

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